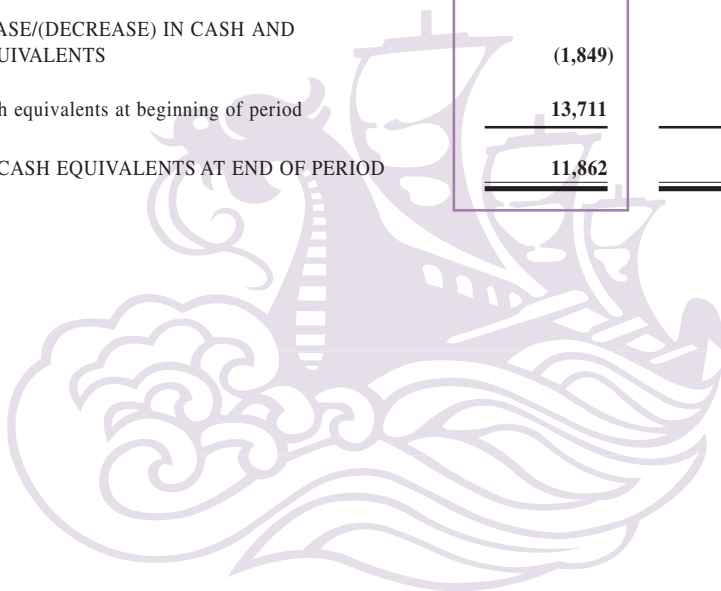


CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Unaudited)

For the six months
ended 31 October

	2002 (Consolidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	9,640	27,849
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(7,457)	(26,157)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	<u>(4,032)</u>	<u>33,115</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,849)	34,807
Cash and cash equivalents at beginning of period	<u>13,711</u>	<u>14,140</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>11,862</u></u>	<u><u>48,947</u></u>



Notes:

1. Basis of preparation and accounting policies

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 June 2001 under the Companies Law (2001 Second Revision) of the Cayman Islands. Pursuant to a reorganisation scheme (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 October 2001, the Company became the holding company of the companies now comprising the Group on 16 August 2001.

As further detailed in the Company's prospectus dated 25 September 2001 (the "Prospectus"), the ongoing business concerns relating to the restaurant operations (the "Restaurant Business") operated by Cambo Enterprises Limited ("Cambo") were transferred to Kamboat Chinese Cuisine Company Limited ("KCCC"), a wholly-owned subsidiary of the Company, effective from 15 August 2001. Since the date of the transfer, Cambo discontinued its activity of operating Chinese restaurants. The ongoing business concerns relating to the fast food operations (the "Fast Food Business") operated by Kamboat Bakery Limited, a wholly-owned subsidiary of the Company, were transferred to a non-Group company beneficially held by Cambo, effective from 15 August 2001. Since the date of the transfer, Kamboat Bakery Limited discontinued its fast food operations.

For information purposes only, the unaudited condensed financial statements for the six months ended 31 October 2001 have been prepared using the merger basis of accounting in accordance with Statement of Standard Accounting Practice ("SSAP") No. 27 "Accounting for Group Reconstructions" as a result of the Group Reorganisation completed on 16 August 2001. Under this basis, the Company has been treated as the holding company of its subsidiaries for the six months ended 31 October 2001. Accordingly, the unaudited condensed pro-forma combined results of the Group for the six months ended 31 October 2001 include the results of the Company and its subsidiaries now comprising the Group from 1 May 2001, or since their respective dates of incorporation where this is a shorter period, except for KCCC, as if the current Group structure had been in existence throughout the periods. The results of the Restaurant Business have been included as if it had been transferred to the Group from Cambo as at the beginning of the earliest period presented. The results of the Fast Food Business have been excluded as if it had been transferred from the Group as at the beginning of the earliest period presented. This basis of presentation was adopted for the preparation of the pro-forma financial information for the year ended 30 April 2002 included in the last annual report and the accountants' report included in the Prospectus.

The Directors are responsible for the preparation of the Group's unaudited condensed interim financial statements. These unaudited condensed interim financial statements have not been audited by the Company's auditors but have been reviewed by the Company's audit committee. In preparing these unaudited condensed interim financial statements, the Directors confirm that the accounting policies applied and method of computation are consistent with those used in the audited financial statements for the year ended 30 April 2002 except as disclosed below.

The following issued and revised SSAPs are effective for the first time for the current period's financial statements.

SSAP 1 (Revised)	:	"Presentation of Financial Statements"
SSAP 11 (Revised)	:	"Foreign Currency Translation"
SSAP 15 (Revised)	:	"Cash Flow Statements"
SSAP 25 (Revised)	:	"Interim Financial Reporting"
SSAP 34	:	"Employee Benefits"

The adoption of these new or revised SSAPs has no significant effect on the results of the Group in both accounting periods other than a change in the format of presentation of the cash flow statement and the requirement to present a statement of changes in equity.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the periodic remeasurement of leasehold land and buildings, investment properties and short term investments, and have been prepared in accordance with SSAP 25 "Interim Financial Reporting" and with the applicable disclosure requirements of Appendix 16 to the Rules Governing The Listing of Securities on the Stock Exchange (the "Listing Rules").

2. Segment information

	(Unaudited) Restaurant Operations Six months ended 31 October		(Unaudited) Bakery, other food and beverage products operations Six months ended 31 October		(Unaudited) Total Six months ended 31 October	
	2002 (Con- solidated) HK\$'000	2001 (Pro-forma combined) HK\$'000	2002 (Con- solidated) HK\$'000	2001 (Pro-forma combined) HK\$'000	2002 (Con- solidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
	Segment revenue: Sales to external customers	<u>115,271</u>	<u>112,123</u>	<u>61,356</u>	<u>59,902</u>	<u>176,627</u>
Segment results	<u>5,851</u>	<u>15,965</u>	<u>(2,065)</u>	<u>3,837</u>	<u>3,786</u>	<u>19,802</u>

No separate analysis of geographical segment information is presented as the Group's revenue and results are all derived in Hong Kong.

3. Turnover

Turnover represents the income from restaurant operations and sales of bakery and other food products less discounts. All significant intra-group transactions have been eliminated on consolidation/combination.

4. Profit from operating activities

The Group's profit from operating activities is arrived at after charging/(crediting):

	(Unaudited) For the six months ended 31 October	
	2002 (Consolidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
Cost of inventories consumed	60,147	52,555
Staff costs (including directors' remuneration)	46,694	45,192
Amortisation of goodwill	415	-
Depreciation	8,596	7,598
Rental income, gross	(66)	(60)
Rental income, net	(66)	(60)
Interest income on bank balances	<u>(56)</u>	<u>(40)</u>

5. Finance costs

	(Unaudited) For the six months ended 31 October	
	2002 (Consolidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
Interest on bank loans	90	241
Interest on finance leases	74	132
	<u>164</u>	<u>373</u>

6. Tax

Hong Kong profits tax have been provided at the rate of 16% (six months ended 31 October 2001: 16%) on the estimated assessable profits arising in Hong Kong during the period. Deferred tax has been provided for under the liability method at the rate of 16% (30 April 2002: 16%) on timing differences arising between tax and accounting treatments.

7. Dividends

	(Unaudited) For the six months ended 31 October	
	2002 (Consolidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
Interim and special dividends declared before listing	-	8,100
Interim dividend – HK0.6 cent (six months ended 31 October 2001 – HK1.0 cent) per share	2,760	4,600
	<u>2,760</u>	<u>12,700</u>

8. Earnings per share

Basic

The calculation of basic earnings per share, on a consolidated basis, is based on the unaudited condensed consolidated net profit from ordinary activities attributable to shareholders for the current period of HK\$2,870,000 and the weighted average of 460,000,000 shares in issue during the current period.

For information purposes only, the calculation of pro-forma basic earnings per share, on the pro-forma combined basis as set out in note 1 above, is based on the unaudited pro-forma combined net profit from ordinary activities attributable to shareholders for the six months ended 31 October 2001 of HK\$16,360,000 and the weighted average of 362,250,000 shares in issue during the previous period, assuming the Group Reorganisation had been completed since 1 May 2001.

Diluted

Diluted earnings per share for the six months ended 31 October 2002 has not been shown as the potential ordinary shares outstanding during the period had an anti-dilutive effect on the basic earnings per share for the period. Diluted earnings per share for the six months ended 31 October 2001 have not been calculated as no dilutive events existed during the period.

9. Accounts receivable

The general credit terms of the Group range from one month to three months. An aged analysis of the Group's accounts receivable as at the balance sheet date, based on invoice date, is as follows:

	(Unaudited) 31 October 2002 HK\$'000	(Audited) 30 April 2002 HK\$'000
Within one month	238	1,997
1 – 3 months	3,353	101
4 – 6 months	539	318
	<u>4,130</u>	<u>2,416</u>

10. Accounts payable

An aged analysis of the Group's accounts payable as at the balance sheet date, based on invoice date, is as follows:

	(Unaudited) 31 October 2002 HK\$'000	(Audited) 30 April 2002 HK\$'000
Within one month	9,284	8,687
1 – 3 months	3,659	6,223
4 – 6 months	-	533
	<u>12,943</u>	<u>15,443</u>

11. Coupon liabilities

Coupons are recorded as liabilities when sold. Coupons surrendered in exchange for cake and other food products during the periods are recognised as sales using the weighted average coupon sales value.

12. Banking facilities

At 31 October 2002, the Group's banking facilities were secured by the properties of the Group and supported by corporate guarantees from the Company and a personal guarantee executed by a director of the Company. The Group has received written consents in principal from the bank that those banking facilities supported by personal guarantee executed by a director of the Company will be replaced by new banking facilities supported by corporate guarantees provided by the Company and/or other members of the Group. The Group is currently in the process of releasing the above-mentioned personal guarantee.

13. Contingent liabilities

The Group's possible liabilities as at 31 October 2002 would have been approximately HK\$4 million (30 April 2002: approximately HK\$4 million) under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). No provision has been made for these amounts in the period.

14. Capital commitments

	(Unaudited) At 31 October 2002 HK\$'000	(Audited) At 30 April 2002 HK\$'000
Commitments in respect of purchases of fixed assets: Contracted for	<u>839</u>	<u>213</u>

15. Operating lease arrangements

(a) As lessor

The Group leases its investment properties under non-cancellable operating lease arrangements with lease terms of two years. As at the balance sheet date, the Group had total future minimum lease rental receivables under non-cancellable operating leases with its tenants falling due as follows:

	(Unaudited) At 31 October 2002 HK\$'000	(Audited) At 30 April 2002 HK\$'000
Within one year	132	132
In the second to fifth years, inclusive	<u>55</u>	<u>121</u>
	<u>187</u>	<u>253</u>

(b) As lessee

The Group leases certain of its restaurants, bakery outlets and bakery production workshops, staff quarters, offices and warehouses under non-cancellable operating lease arrangements with lease terms ranging from one to eight years.

As at the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	(Unaudited) At 31 October 2002 HK\$'000	(Audited) At 30 April 2002 HK\$'000
Within one year	29,538	38,145
In the second to fifth years, inclusive	<u>69,208</u>	<u>84,606</u>
After five years	<u>17,446</u>	<u>22,239</u>
	<u>116,192</u>	<u>144,990</u>

16. Related party transactions

The Group had the following material transactions with related parties during the period:

		(Unaudited) For the six months ended 31 October	
	<i>Notes</i>	2002 (Consolidated) HK\$'000	2001 (Pro-forma combined) HK\$'000
Sales of food to a related party	(a)	58	1,251
Operating lease rentals paid to the holding company	(b)	—	100

Notes:

- (a) The Group made sales to Hong Thai Citizens Travel Services Limited.

The Directors consider that the sales were based on the published sales prices of the Group less discounts ranging from 30% to 50%.

- (b) Certain leased properties of the Company's holding company are sub-leased to the Group for its operations. The rental expenses were assessed by an independent firm of professional qualified valuers on an open market basis. The lease has already been terminated before the six months ended 31 October 2002.
- (c) The Group's banking facilities are supported by personal and corporate guarantees of a director and the Company.
- (d) Certain operating lease arrangements were entered into by Cambo. Pursuant to the Group Reorganisation, the Group is currently in the process of novating the above-mentioned operating lease arrangements to the Company's subsidiaries.

These related party transactions also constitute connected transactions as defined under the Listing Rules.

17. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

18. Approval of the interim financial statements

These unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Directors on 27 January 2003.